



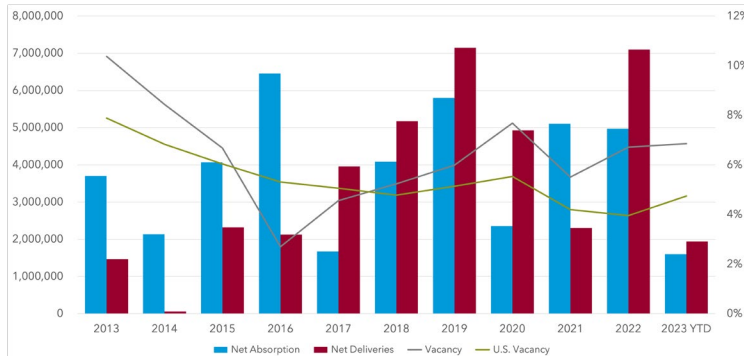
INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR Senior Vice President

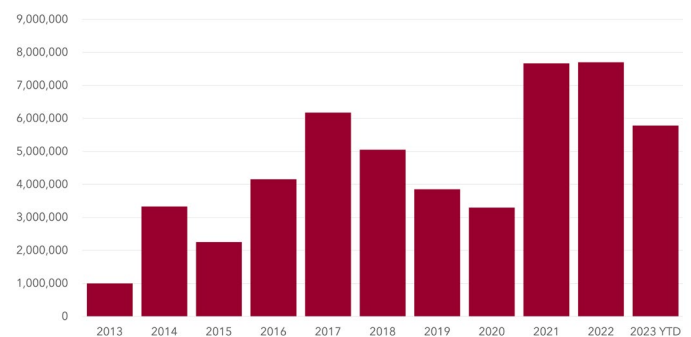
The Central Valley industrial market has seen slowing in large scale/big box leasing activity despite several recent deliveries. The San Joaquin County has been the beneficiary of aggressive spec development over the last several years and the pipeline of brand new, Class A deliveries has resulted in a more normalized vacancy rate. Sales of institutional or capital markets offerings have been non-existent for a second straight quarter, although there is an offering that may serve as a litmus test as to the appetite of the capital markets. Owner/user activity remains healthy given the short supply of available buildings under 100,000 SF for purchase. Simple supply and demand fundamentals continue to prevail despite interest rate increases.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ Qtrly Net Absorption SF	1,226,450	1,514,371	637,560	2,133,404	1,700,000
▲ Vacancy Rate	7.2%	5.9%	4.2%	5.5%	6.2%
◀ ▶ Avg NNN Asking Rate PSF	\$8.76	\$8.76	\$8.76	\$8.16	\$7.80
▼ SF Under Construction	6,446,750	6,466,750	8,278,460	5,500,000	8,201,466
◀ ▶ Inventory SF	196,450,000	196,450,000	195,375,600	194,670,000	193,856,220

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
401 E. Glenn Avenue Modesto, CA	204,800 SF	\$20,119,000 \$98.24 PSF	Panattoni Coldstream Real Estate	Class A
567 S. Riverside Drive Modesto, CA	148,000 SF	\$14,000,000 \$94.60 PSF	Bridge Investment Harbor Way	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1624 Army Court Stockton, CA	373,022 SF	Stockbridge	Performance Food Group	3PL
1150 Arbor Road Tracy, CA	210,000 SF	Prologis	Peet's Coffee	Warehouse/ Distribution
1380 N. MacArthur Drive Tracy, CA	206,451 SF	UBS	International Paper	Warehouse/ Distribution

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com